

## STATEMENT OF WORK

### SECTION 1

#### Description of Services

**Description of Service/General Information:** The Concessionaire shall furnish all personnel, transportation, supervision and all food and related supplies to provide a professional food service operation for the NOX 1 Cafeteria and Visa Section on the Chancery. Specifically, the Concessionaire, its managers and chefs must prepare and serve a menu diverse in product options and prices and be able to simultaneously cater special functions.

#### 1.1. Specific Tasks

1.1.1 Food Quality/Warranty/Food and Beverage Operations: The Concessionaire shall provide food service including hot buffet breakfast and lunch cafeteria service with three offering of hot meals (1hot American food offering; 1 hot Filipino food offering; 1 hot international food offering such as Chinese, Italian, Mexican, etc. and a vegetarian dish), an a la carte menu highlighting American food, salad bar and a quick service counter for sandwich bar and other deli, catering and food delivery services. The Concessionaire must exert all efforts to guarantee customer satisfaction and high food quality. The Association shall have complete discretion to define and determine what constitutes acceptable food quality and acceptable levels of customer satisfaction, but will accept input from the Concessionaire as appropriate.

1.1.2 Menu: Before beginning performance under this agreement, the Concessionaire will submit a menu, with corresponding selling prices. The menu must be displayed in a conspicuous spot for patrons to see, and should be made available for easy customer reference. The menu for the week should be decided in advance and should be sent to the Association for it to be advertised. The Concessionaire shall be responsible for printing all menus. The Association must be informed for any additions, deletions, or price changes made to the menu at least one week prior to the change taking effect.

1.1.3 Special Functions: The Concessionaire must be capable of catering on-site special functions, i.e., luncheons, dinners, holiday events and birthday parties etc. in addition to its regular operational duties.

### SECTION 2

#### Accounting Procedures

2.1 Accounting: The Concessionaire shall keep and maintain for the duration of the contract all financial records to include monthly profit/loss statements; catering and special function receipts, submitted as collected; daily cash register receipts, submitted on a weekly basis; health certificates for all employees; sanitation inspections and any other documents necessary for good business practices. The Concessionaire shall provide a system, acceptable to the Association, that ensures financial records and reports are complete, true and accurate.

2.2 Commission Payment: At the end of each month, the Concessionaire shall send sales report stating the gross income. The Association shall prepare a statement of account for the Concessionaire showing

the 15% commission due to the Association. Payment commission is due every 5<sup>th</sup> business day of the following month. Payment commission shall be made by check payable to *American Recreation Club*.

A 3% late payment fee shall be imposed for each payment of the commission that is late and second 5% late payment fee when the payment of the commission is more than ten (10) business days past due. Any payment that is three (3) weeks overdue is grounds for the immediate termination of this Agreement.

2.3 Audit: The Association has the authority to audit or inspect (or to have audited or inspected) the records, premises, and operation of the Concessionaire at any time for the purpose of ensuring contract compliance.

### SECTION 3

#### Association and Concessionaire Property

**Association Furnished Property and Services.** The Association will provide, without cost to the Concessionaire, the property and materials listed in Exhibit I – Association Furnished Equipment (AFE). All AFE shall be used only for performance of this contract.

##### 3.1 Association Furnished Facilities

3.1.1 The Association will provide the cafeteria space located in the NOX 1 building. No modifications or alterations may be made to the facilities without express, written approval by the Board. If a modification is desired, the Concessionaire must furnish the Association Manager documentation describing, in detail, the modification requested and state a reason for the suggested modification. No alterations to the facilities shall be made without specific written permission from the Board through the Association Manager. The Concessionaire shall return the facilities to the Association in the same condition received, excluding fair wear and tear and/or approved modifications. The Concessionaire may not justify failure to comply with the terms of this agreement upon the lack of, or failure to timely deliver or provide, a requested addition or modification to the facilities. Concessionaire enters this agreement with knowledge that the facilities “as-is” are the baseline facilities.

##### 3.2 Association Furnished Equipment (AFE) and Services

3.2.1 The Association will provide all the equipment in the Association Furnished Facilities, and the AFE identified in Exhibit I. The Concessionaire shall perform routine preventive maintenance to include procurement of spare parts, labor and upkeep of the equipment, furniture and fixtures; equipment, furniture and fixtures kept in a clean and sanitary condition; exercise reasonable care to secure and protect such AFE, furniture and fixtures; and shall be liable for damage or loss of AFE, furniture, fixtures, and equipment if its due to the negligence and fault of the Concessionaire and/or its employees.

3.2.2 The Association will replace any major equipment items that become unusable and are essential for day to day business (e.g. stove, oven, refrigerator), and does not include small wares (e.g. blender, microwave). The Concessionaire is required to notify the Association Manager immediately in writing when an AFE is not operating properly. If the Association Manager is notified that the major equipment

item is beyond repair, necessary arrangements to have the equipment removed from the facility will be made. This replacement does not include damage due to carelessness, improper maintenance, or neglect on the Concessionaire's behalf.

3.2.3 Utilities: The Association will provide limited phone service within the Embassy compounds. Long distance service, calls made to cell networks, and other toll calls are the responsibility of the Concessionaire. The concessionaire may use the internet connection at NOX1 Cafeteria Office provided it is for business-related use.

The Association will provide utilities including water, electricity, and trash removal. The Association will furnish sufficient quantities of space, water, and electricity to satisfy the normal needs of the Concessionaire for lighting, drinking, sanitation, and the operation of suitable support equipment. The Concessionaire shall train and instruct employees in utilities conservation practices. The Association will furnish refuse collection services at central collection points. The Concessionaire is required to remove all refuse to the central collection points at the end of each day. At any point during the contract, the Association may provide recycling containers for use by the Concessionaire. The Association will then require the Concessionaire to actively participate in recycling efforts and encourage customers to do so as well.

3.2.4 Insect and Rodent Control: The Association will provide monthly fumigation of the facilities to help prevent insect and rodent infestations. The Concessionaire must keep all food storage, preparation, and service areas clean and free of any debris that could encourage pests. Any incident of insect and/or rodent infestation may result in termination of Concessionaire's Agreement, and is acknowledged by Concessionaire to be a matter of highest imperative.

3.2.5 Training: Pre-employment sanitation training/testing and food handling training for all staff shall be provided by the Post Medical Unit prior to the start of contract operations. Thereafter, training will be available upon request of the Concessionaire. These sessions will be coordinated with the Association Manager. The Concessionaire shall ensure all staff members who work with food & beverage products receive training from Post Medical Unit annually.

### 3.3 Concessionaire Furnished Equipment (CFE) and Services

3.3.1 Concessionaire Furnished Equipment (CFE): The Concessionaire may, with concurrence by the Association, furnish Concessionaire furnished equipment (CFE), furniture and fixtures. The CFE, furniture and fixtures shall comply with applicable post fire, sanitation and safety regulations. The Concessionaire shall provide all business systems required to operate the day-to-day operations of the business. The Concessionaire is responsible for replacement and disposal of all CFE that becomes unusable or is in need of repair.

3.3.2 Sanitation: The Concessionaire is responsible for maintaining satisfactory sanitation standards. The Association Manager reserves the right to request termination of the contract for failure to meet contract terms. The Association Manager Board of Directors and the Post Medical Unit will be the inspecting officials. Additional inspection officials are Facilities Maintenance and the Post Occupational

Safety and Health Officer. Ratings will be determined in accordance with US Public Health Code Standards. Any failure to keep the facilities in compliance with these regulations may result in termination of Concessionaire's Agreement, and is acknowledged by Concessionaire to be a matter of highest imperative.

3.3.3 Custodial Services: The Concessionaire shall keep the premises clean and orderly, as well as perform regular housekeeping to the satisfaction of the Association. The Concessionaire shall be responsible for keeping trash receptacles secure and shall be responsible for regularly cleaning the trash receptacles. The Concessionaire is responsible for placing all refuse at the central collection points on a daily basis. All trash receptacles within the cafeteria and kitchen locations must be empty at the close of business each day. The Concessionaire shall also be responsible for clean-up of debris that is a result of customers' use of the cafeteria facilities. The Concessionaire shall comply with Post fire, sanitation, and safety regulations and shall take prompt corrective action on reports of violations thereof.

### 3.4 Equipment Inventory

A joint inventory of AFE will be done at the start of the contract, 2 days prior to food service operations and again at completion of the contract. The Concessionaire shall sign a receipt for all equipment provided by the Association. The Concessionaire and Association Manager's representative shall jointly determine the working order and condition of all equipment and document their findings on the inventory.

## SECTION 4 General Information

4.1. Concession Manager: The Concessionaire shall provide a Concession Manager to work with the Association Manager and provide supervision and quality control and who shall represent the Concessionaire and be responsible for the performance of the work throughout the term of the contract. The Concession Manager shall have at least 3 years of experience in food operations. The name of this person and an alternate(s) who shall act for Concession Manager in his/her absence shall be designated in writing to the Association Manager. The Manager and Alternate must be able to speak, read, write, and understand English well.

4.1.1 The Concession Manager or alternates shall have full authority to act for the Concessionaire on all matters relating to the daily operation of this contract. The Concession Manager or alternates shall be responsive to the Association Manager to discuss problems areas. The Concession Manager or alternates shall be qualified in catering and food/beverage operations to perform this contract.

4.1.2 Concessionaire Supervisors and Employees: The Concessionaire shall provide a supervisor in each location area who functions as the lead employee in the absence of the Concession manager or alternate. The Concessionaire is responsible for providing a sufficient number of qualified employees to meet the operational requirements.

4.2 The Concessionaire is responsible for the supervision of Concessionaire employees to ensure their actions are in accordance with the terms of this contract and for handling problems that may arise in this operation. If a customer problem is not initially resolved, the Concessionaire should contact the Association Manager immediately.

4.3 The Concessionaire shall keep current, for the Association Manager, a list of personnel employed on this contract. This list shall include the dates of food service sanitation training for food handlers. The Association reserves the right to restrict the employment, under this contract, of any employee, or prospective employee who is identified as a potential threat to health, safety, security, general well-being, or the operational mission of the post or club and its population.

4.4 Health Certificates: All Concessionaire employees must possess current health certificates, examinations, and immunizations before starting work under this contract. This will be provided by the Concessionaire at no cost to the Association.

4.5 Uniforms and Nametags: The ARC polo shirts will serve as the official uniform. The Concessionaire shall procure and maintain, at its own expense, uniforms and nametags to be worn by all customer contact employees, including the on-site manager(s). Minimal jewelry may be worn by female employees only.

4.6 English Language: The Concessionaire employees interacting directly with customers shall have a working knowledge of the English language.

4.7 Alcohol/Drug Use: The Concessionaire employees shall not consume alcoholic beverages or use illegal drugs while on duty. The Concessionaire shall immediately remove any employee who is under the influence of alcohol or drugs.

4.8 Loitering: The Concessionaire employees shall not loiter in any working or patron area. Upon completion of their assigned shifts, employees shall promptly depart from the food service facilities and the compound. Employee meals shall be eaten in the area designated in writing by the Concession Manager. Concession employees eligible to use the facility may do so but not in their work attire except if they eat in the kitchen.

4.9 Security Requirements: The Concessionaire and employees are subject to security clearance procedures and shall obtain all clearances deemed necessary by the RSO.

4.10 Hand Washing Procedures: All employees must properly wash hands before and after handling food, after use of Comfort Room, after handling any garbage or refuse, after any breaks, before handling any service item, or upon entering the kitchen. A proper hand washing sink must be maintained at all times.

4.11 Hours of Operation: At a minimum, Cafeteria hours of operation shall be Monday to Friday, 7:00 am to 3:00 pm. The sandwich and deli section should remain open until 4:00 pm. Consular operating hours will begin at 7:00 am and end at 1:00 pm, Monday to Friday. Any change in operating hours must be submitted in writing and approved by the Board.

4.11.1 The Concessionaire shall remain closed for all federal holidays at the Chancery unless exceptions are mutually agreed upon between the Concessionaire and the Association Manager. Closure on holidays shall not affect the monthly fee paid to the Association.

4.11.2 The Association Manager may close the Concessionaire operation due to real world events. Such a closure shall not affect the rate of fee computation and the Concessionaire may not seek lost revenue from the Association.

#### 4.12 Environmental Considerations

4.12.1 Conservation of Utilities: The Concessionaire shall ensure employees practice utilities conservation. The Concessionaire shall use only areas where work is actually being performed, employees shall not adjust mechanical equipment for heating, ventilation, and air conditioning systems, and water faucets or valves shall be turned off when not being used.

4.12.2 Environmental and Hazardous Materials Handling and Storage: All hazardous and flammable products necessary for food operations will be stored in accordance with the post safety and fire policies. If Concessionaire personnel spill or release any hazardous substances into the environment, they shall immediately contact the proper emergency officials and Post One.

4.13 Smoking: Concessionaire employees shall only smoke in designated smoking areas.

#### 4.14 Licenses, Local Laws, Insurance and Taxes

4.15 Permits and Licenses: The Concessionaire shall obtain all permits, give all necessary notices, pay all license fees, and comply with all barangay, prefecture, and national laws, rules, ordinance, and regulations, and any publications published by the club relating to public health or applicable to the business carried on under this agreement.

4.16 Local Labor Laws: The Concessionaire shall comply with all applicable local labor laws.

4.17 Insurance: The Concessionaire must obtain comprehensive liability insurance in the amount of One Million Philippine Pesos. The Concessionaire must furnish proof of such insurance to the Association Manager before starting to work and must maintain it annually thereafter with each renewal option.

4.18 Taxes: The Concessionaire assumes complete and sole liability for all applicable taxes of the income and transactions of the concession contract.

#### 4.19 Inspections and Customer Service

4.19.1 Inspections: All food and beverage items shall be available for inspection by Association Manager, Executive Chef, Board of Directors, and Post Medical Unit in the raw state, prep condition, holding, serving line or storage area under control of the Concessionaire and subject to the provisions of this contract. Inspection personnel shall be provided unrestricted access and all inspections shall be without notice unless follow up is necessary. Presence of any unapproved food and beverage items on the premises will be cause for an unsatisfactory rating and possible disciplinary action. Inspectors have the

authority to close the food service operation for noncompliance. The Concessionaire, at the beginning of the contract, shall provide the Association, at least three days prior to delivery, a list of all food items and vendors to be used in this food and beverage service operation. This list shall be updated quarterly. The Association shall have the right to request any additional information.

4.19.2 Customer Complaints, Claims, and Refunds: The Concessionaire agrees to adhere to the Association policy of customer satisfaction guarantee and will be responsible for refunds to customers due to customer dissatisfaction with an item or due to overcharges. All customer complaints, claims, and refunds will be resolved and made at the Concessionaire's expense. Any disagreement that cannot be resolved between Concessionaire and the customer will be referred to the Association Manager, whose decision will be final. If the Concessionaire fails to process complaints or claims in a timely manner and issue necessary refunds, Association may settle customer complaints and make such refunds. If refunds are made by Association, the Concessionaire's account will be charged.

#### 4.20 Performance Evaluation Meetings

The Association Manager along with the designated Board Representative, Concession Manager and Concession Accountant will meet monthly or as needed to discuss operations. Additional meetings may be required if problems arise that need immediate attention. Meetings will be held at either ARC Clubhouse or NOX 1 Cafeteria during the second week of each month.

#### 4.21 Marketing

The Concessionaire will work with the Association Manager to establish and maintain a marketing plan for the food service. All expenses incurred from marketing or advertising are the sole responsibility of the Concessionaire. All marketing communication to the embassy mission in any form will be coursed through the Association Manager and will require his/her approval.